

LEADERSHIP COUNCIL  

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*of*  
AGING ORGANIZATIONS

Edward F. Coyle, *Chair*

March 22, 2004

Dear Representative:

The undersigned members of the Leadership Council of Aging Organizations are writing to express our concerns with the committee-reported House Budget Resolution and the Spending Control Act of 2004 (H.R. 3973). We urge you to oppose their adoption absent changes described below.

We are particularly concerned that the Budget Resolution requires the Energy and Commerce Committee to make deep cuts in entitlement programs, and would likely lead to \$2.2 billion in Medicaid cuts. This will increase the number of people without health insurance and lead to further cuts in the quality of care in our nation's nursing homes. Most state budgets are still suffering from the recession, and the \$10 billion in extra Federal Medicaid help that was provided to the states starting last April 1st expires this June 30, 2004. The House Budget Resolution does nothing to help reduce the number of uninsured.

The Budget Resolution includes a "reconciliation directive" to the Ways and Means Committee to approve \$138 billion in tax cuts over five years. This effectively makes nearly all of the 2001 and 2003 tax cuts permanent, thereby providing tax breaks for the wealthiest Americans. The resolution will increase the deficit by \$247 billion over five years and the tax cut policies are expected to cost \$1.2 trillion over ten years. This will leave our nation ill-prepared for important current needs as well as the retiring Baby Boomers. Any votes on tax cuts should take place outside of reconciliation procedures.

The Budget Resolution does not include major changes in budget rules. However, it is expected that H.R.3973, reported out of the Budget Committee along with the Budget Resolution, will be taken up on the floor at some point after the Resolution. The pay-as-you-go (PAYGO) rules in this bill are applied only to entitlements, exempting the \$1.2 trillion in tax cuts in the Budget Resolution from having to be offset, as well as any future tax cuts. An increased federal deficit of this magnitude not only affects all domestic discretionary spending, but puts at risk both defense needs as well as Social Security and Medicare.

H.R. 3973 would also require binding caps for the next five years on discretionary programs with the cap for each year to be set according to levels contained in the Budget Resolution as agreed to by the House and Senate in conference. Under the House Budget Committee's resolution for FY 2005, cuts of \$120 billion over five years would be required in virtually all domestic discretionary programs outside of homeland security, including veterans health care, medical research and housing programs. This level of cuts is unacceptable. The LCAO has already expressed its concern about funding levels in the President's budget for Medicare, Medicaid, Social Security, the Older Americans Act and other programs. A description of our concerns on the budget can be found at [http://www.lcao.org/press/budgetPRFeb25\\_2004.htm](http://www.lcao.org/press/budgetPRFeb25_2004.htm).

We urge you to reject the Budget Resolution unless the following changes are made:

1. Require any tax cuts to be off-set; and
2. Eliminate any instruction to the Energy and Commerce Committee that might result in cuts to Medicaid.

Further, when it comes for a floor vote, we urge you to reject H.R.3973 unless the following changes are made:

1. The application of any PAYGO rules should not be only on entitlements, that is: PAYGO should apply as well to tax cuts; and
2. Eliminate the 5-year binding caps on discretionary programs.

Without such changes, programs important to seniors and other vulnerable Americans will be at risk.

Thank you for considering our views on these issues. We are ready to work with you toward a budget resolution that is adequate for current needs and provides an effective framework for the future.

Sincerely,

*AFL-CIO*  
*AFSCME Retiree Program*  
*Alliance for Retired Americans*  
*American Association for International Aging*  
*American Federation of Teachers*  
*American Foundation for the Blind*  
*American Geriatrics Society*  
*American Society on Aging*  
*American Society of Consultant Pharmacists*  
*Association for Gerontology and Human Development*  
*in Historically Black Colleges and Universities*  
*Association of Jewish Aging Services of North America*

*B'nai B'rith International*  
*Eldercare America*  
*FamiliesUSA*  
*Gerontological Society of America*  
*International Union, UAW*  
*National Academy of Elderly Law Attorneys*  
*National Adult Day Services Association*  
*National Association for Hispanic Elderly*  
*National Association of Professional Geriatric Care Managers*  
*National Association of Retired and Senior Volunteer Program Directors*  
*National Association of Senior Companion Project Directors*  
*National Caucus and Center on Black Aged, Inc.*  
*National Committee to Preserve Social Security and Medicare*  
*National Council on the Aging*  
*National Senior Citizens Law Center*  
*OWL, the voice of midlife and older women*